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DEPARTMENT FOR EUR/SE

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SUBJECT: CYPRUS: CHRISTOFIAS DISAPPOINTED IN TALAT'S

"UNREASONABLE" POSITIONS

REF: A. NICOSIA 49

¶B. NICOSIA 48

¶C. NICOSIA 47

1D. NICOSIA 46

¶E. NICOSIA 36

¶F. NICOSIA 28

Classified By: Ambassador Frank C. Urbancic, Reasons 1.4 (b), (d)

- (C) SUMMARY: President Demetris Christofias, while acknowledging Turkish Cypriot leader Mehmet Ali Talat's desire to reach a Cyprus settlement, worries that the model Talat prefers is confederal, not federal. Still, Christofias remains ready to engage in a genuine give-and-take discussion with his T/C interlocutor.
- (C) SUMMARY CONTINUED: In an hour-long meeting on January 14 with visiting EUR DAS Matthew Bryza, Christofias lamented that "comrade" Talat had changed over their years of acquaintance. "Perhaps he had to kiss the hand of the establishment," he quipped, an oft-repeated G/C allegation that the T/C leader operated under the Turkish "Deep State's" marching orders. Talat's negotiating positions on governance seemed unreasonable, designed to emasculate the federal government and buttress the powers of the constituent state -- in other words, to create a confederation, if not in name. Christofias claimed his side's proposals, in contrast, benefited all Cypriots, not just Greek ones. Negotiations soon would move to property, where Greek Cypriots would seek maximum freedom of choice for displaced property owners; the President predicted a tough fight, since T/Cs preferred compensation arrangements to protect strict bi-zonality. CBMs, Christofias alluded to progress toward opening the Limnitis Buffer Zone crossing, but claimed that Turkish Cypriot demands to move fuel through Limnitis to the T/C military enclave of Kokkina/Erenkoy remained a non-starter.
- 13. (C) SUMMARY CONTINUED: Bryza observed that progress had occurred on Cyprus since his last visit in 2006 and congratulated Christofias for his courage in inking the May 23 joint statement and canceling the Nikiforos military exercise. He agreed that risk-averse and rigid members of the Turkish elite were in no hurry to reach a settlement that would satisfy G/Cs, but highlighted positive steps Ankara had taken on Cyprus and surmised the hard-liners were on the defensive. Talat seemingly had room to maneuver in all areas but security and guarantees, Bryza assessed. He offered to convey to Ankara Christofias's allusion that G/Cs sought not to bury the 2004 Annan Plan but to build on it. The G/C leader politely declined, however. "While the Annan Plan has useful elements, it can never be the basis of a solution." END SUMMARY.

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- 14. (C) Responding to Christofias's remark that Georgia had recklessly provoked war with Russia, Bryza noted that Russia's constant provocations had set a trap that Georgian President Saakashvili regrettably stepped into. Moscow's recognition of the breakaway regions of Abkhazia and South Ossetia had opened a Pandora's box in the separatist-peppered region.
- 15. (C) Moving to the Cyprus question, Bryza observed that, in contrast to July 2006, when he last had visited, the mood among the negotiators seemed brighter. Rather than endless battles over legalisms and process, the leaders were engaged in face-to-face substantive talks and appeared willing to engage in a genuine give-and-take. He congratulated the President for the latter's courageous acts of co-signing the May 23 statement (which stipulated a partnership between Greek and Turkish Cypriots), canceling the Nikiforos military exercise, and agreeing to the September 3 start of full-fledged negotiations. The United States fully supported the leaders' efforts to reach a settlement based on a bi-zonal, bi-communal federation, and would utilize its good offices to help get there.
- 16. (C) Christofias, who had traveled to Moscow in November, claimed the Russians had had no intention to recognize the breakaway areas until Saakashvili "offered them a gift."

  Moscow leaders had promised that no policy shift on Cyprus was envisioned, however. He appreciated Bryza's assurances that Washington supported the territorial integrity of sovereign states and its clarification that peoples' self-determination could only be exercised within the

territory of an existing state.

## Going Still Slow, However

- ¶7. (C) Progress in the pre-negotiation period (March-July 2008) had not proven satisfactory, Christofias assessed. Nonetheless, he had decided to green-light the move to full-fledged negotiations believing that the long history of cooperation between the two "comrades" and their shared desire to reunify the island could overcome the sides' substantive differences. The decision was correct, but the results from four month's discussions on governance were disappointing. "In my recent statements," the President explained, referring to comments distributed on the presentation of credentials of a number of foreign ambassadors, "I didn't mean to say there was zero progress, but rather little progress."
- 18. (C) He attributed the slowdown to Talat and the T/C side, as expected. "I had expected Mehmet Ali to be more reasonable. Perhaps, though, he has had to kiss the hand of the (Turkish) establishment," the President theorized, claiming that Talat's positions before coming into power were more moderate. In no way could Greek Cypriots ever accept UN mediation or arbitration, for example, which Talat insisted was the only manner to bridge substantive gaps. Further, Talat's demands for ever-increasing numbers of competencies to be assigned to the constituent states showed that he viewed the federal government as an enemy, a vehicle for G/C domination. "Our positions are serious and reasonable, however, and benefit all Cypriots, not just Greek Cypriots." He referred to their proposal for G/C and T/C co-presidents, to be elected on a common ticket. "Even though we make up 80 percent of the population and they only 20 percent, the future leaders will serve on a 4-year/2-year rotation, which is a major concession on our part." Talat's pitch for a 7-member presidential council comprised of four G/Cs and three T/Cs, on the other hand, was not functional and "worse than the Annan Plan."
- $\P9$ . (C) As further proof of Talat's newfound confederal ways, the President raised the T/C demand for a greater role for

the constituent states in the conduct of foreign relations. "There will be three diplomatic services, with no hierarchy among them. No federation operates similarly," he complained. And approving such a demand amounted to political suicide. T/C allegations that G/Cs deliberately were stalling the talks, or that the discussions were not sufficiently intensive, were groundless propaganda, Christofias added. He and the G/C team would not go into negotiations unprepared, though. He reasoned that the best method of speeding the process lay in the Turkish Cypriots abandoning their extreme positions. Christofias stressed he was ready for a genuine give-and-take negotiation, and called on Talat to follow suit.

110. (C) Negotiators would begin discussing property on January 28. Christofias delineated the traditional G/C position: that refugees should enjoy full freedom to choose between property restitution, compensation, and exchange. Turkish Cypriot positions aimed to restrict the return of G/Cs to their land in the north, to preserve a clear T/C majority there in population and land ownership. "This is not beneficial to them," the President asserted. "Wouldn't it be better to have wealthier G/C residents there, paying taxes? And wouldn't their economy benefit from more Greek Cypriot businessmen, who are better than their T/C counterparts?"

Some Movement on Limnitis

111. (C) Christofias turned next to confidence-building measures, foremost among them additional BZ crossings.

"Despite the misgivings of many Greek Cypriots, I gave the OK to open Ledra Street," the President noted. The arrangement entailed each side's forces drawing back from the crossing route, shoring up and rehabilitating the abutting structures, and opening the Limnitis crossing in far-west Cyprus as quid pro quo. None had occurred, at political cost to the President and harming the negotiating environment. He alluded to progress in UN-brokered talks on Limnitis, however, claiming the sticking point a T/C desire to use the crossing to move fuel overland to the T/C pocket at Kokkina.

"Food and humanitarian supplies we can accept, but fuel, never." (Note: UN contacts on January 22 reported that Limnitis talks had stalled over this issue.)

112. (C) The President wished Bryza good luck in his travels to Turkey, specifically in his meeting with MFA Cyprus hand Ertugrul Apakan. "I've never met Apakan, but I hear he's very hard-line and influential," Christofias remarked. He hoped that PM Tayyip Erdogan and President Abdullah Gul, whom he had engaged briefly at UNGA in September, eventually would prevail in their battles with the Army and "Deep State." Echoing conspiracy theory that is treated as fact in the Greek Cypriot community, the President argued that Erdogan had inked a deal with the military, winning his political survival but ceding to the generals significant influence on Turkey's Cyprus Policy and EU-mandated reforms. "While they told me they'd given Talat negotiating room and supported a federal settlement, their public statements, and those of the Turkish NSC, bespeak confederation."

Hard Lines, Yes, But Flexibility, Too

113. (C) Bryza repeated that the U.S. sought reunification of Cyprus into a bi-zonal, bi-communal federation, and would criticize strongly any attempt to destroy federal structures. On Turkey, he agreed that MFA Cyprus hands like Apakan and Haydar Berk were rigid and risk-averse. Yet, they were also showing a readiness to negotiate in good faith. Moreover, Turkey had taken positive steps on Cyprus before. He recounted how former TGS chief Hilmi Ozkok had confided that Turkey would benefit by removing its troops from Cyprus and

losing the need to subsidize Turkish Cypriots. Successor Yasar Buyukanit harbored traditional hard-line views, but current TGS commander Ilker Basbug seemed more conciliatory and progressive. Talat seemingly had room to maneuver on all issues except security and guarantees and a residual troop presence on the island, neither of which Bryza believed Turkey had any intention of relinquishing, at least at this time.

114. (C) Of greater concern was the declining interest in EU accession amongst both the Turkish elite and the rank-and-file citizenry. "EU accession is not the priority it once was," Bryza opined. On the settlement talks and how Turkey might improve the climate, he explained how the USG was urging the GoT to soften its rhetoric. Foreign Minister Ali Babacan had agreed with Bryza last March, for example, to refrain from referencing the unpopular and quasi-unmentionable (in the G/C community) Annan Plan. "But from my understanding, your aim is not to bury the Annan Plan, but to build on it?" Bryza questioned. He inquired whether he could pass that message during his meetings in Ankara.

Continued Heartburn Over That Darn Plan

115. (C) Christofias disagreed that Turkey was showing any flexibility on Cyprus; as proof, he raised Talat's continuing demands for what appeared to him a confederal government model. As to the Annan Plan, the 2004 UN work contained positive elements, the President acknowledged, many of which would find their way into any settlement plan. Annan's division of federal and state competences was one, its stipulation the island should have a single sovereignty another. But the Plan could never become the basis for the settlement discussions, owing to Greek Cypriots' overwhelming rejection of it and its continuing unpopularity. Christofias asked that Bryza not pass that message while in Ankara.

116. (U) DAS Bryza has cleared this message. Urbancic